

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN**

In re

LIKEMIND BRANDS INC.

Chapter 11

Case No. 24-02042

Hon. James W. Boyd

Debtor,
_____/

**DECLARATION OF JUSTIN TRUMP IN SUPPORT OF
MOTION OF DEBTOR FOR ENTRY OF ORDER (I) AUTHORIZING USE OF CASH
COLLATERAL, (II) GRANTING ADEQUATE PROTECTION AND RELATED
RELIEF TO PRE-PETITION SECURED PARTIES, (III) SCHEDULING A
FINAL HEARING AND (IV) GRANTING RELATED RELIEF**

I, Justin Trump, President, Director and Shareholder of Likemind Brands Inc. (“Debtor”), make this declaration in support of the Motion of Debtor for Entry of Order (I) Authorizing Use of Cash Collateral, (II) Granting Adequate Protection and Related Relief to Pre-Petition Secured Parties, (III) Scheduling Final Hearing and (IV) Granting Related Relief (“Cash Collateral Motion”) and declare under penalty of perjury pursuant to 28 U.S.C. § 1746 as follows:

1. That I am the President, Secretary and Treasurer of the Debtor. I am a 50 percent shareholder of the Debtor. My wife, Hallie Trump, is the holder of the other 50 percent of shares in the Debtor.

2. The Debtor is an online e-commerce seller of various products such as toys, restaurant supplies and car care products through and online third party marketplaces such as Amazon, Ebay and Mercari. The Debtor also has its own brand of products sold under the brand name of CAT Outdoors. Cat Outdoors manufactures tools and gear for the firearms/tactical industry. The Debtor also generates commissions from its website through which it refers clients to other online sellers, known as affiliate marketing.

3. I am personally familiar with the Debtor's day to day operations, business, financial affairs, and books and records. All of the facts in this Declaration are based upon my personal knowledge and my review of documents and information concerning the Debtor's operations, financial affairs, restructuring efforts and my personal opinion based upon my experience and general knowledge about the Debtor.

4. I am over the age of 18 and am authorized to submit this Declaration on behalf of the Debtor. If called to testify, I would testify to the matters set forth in this Declaration.

5. The Debtor operates out of leased premises located at 8121 East 34 Road, Cadillac, Michigan 49601. The property is owned by Likemind Holdings, LLC. Myself and my wife Hallie Trump own 100% of the membership interest in Likemind Holdings, LLC.

6. The Debtor commenced its operations in 2017. It gradually grew its sales revenues from \$2,846,344 in 2019 to \$5,086,870 in 2023. The Debtor's business required it to purchase large amounts of inventory. In 2023, the Debtor was struggling to keep product in stock. One of its vendors required the Debtor to maintain back-orders for products and the Debtor never knew when the product would become available. When product became available, the Debtor would need to come up with large sums of money on short notice to pay for the inventory. The Debtor began borrowing funds to make the inventory purchases.

7. A significant amount of inventory has remain unsold. This has significantly impacted the Debtor's cash flow and ability to service its debt load.

8. The Debtor has taken measures to increase its profitability and will continue to do so. This includes increasing the amount of commission it earns from affiliated marketing. The affiliated marketing income has increased month over month since January, 2024. The Debtor will continue to add content to its website which will help boost the affiliated marketing income.

9. The Debtor has ended its relationship with the vendor who required the Debtor to maintain back-orders of product. This vendor never provided the Debtor with ample notice of when product would become available and the cash demand required to fund the purchase. The product purchased from this vendor also required the Debtor to maintain significant staff to perform preparation work to process the products. The Debtor has reduced its staff from as many as 10 people down to 2 people.

10. The Debtor has fallen behind in payments to its creditors, including merchant cash advances and other term loan lenders. Emerald Group Holdings, LLC d/b/a VitalCap attempted to levy upon the Debtor's funds owing by Amazon, which interrupted the cash flow necessary for continuation of the Debtor's business operations.

11. The Debtor filed this Chapter 11 Case in order to preserve and maximize the value of the Debtor's assets for the benefit of all stakeholders.

12. The following is a list of creditors and amounts owed to the creditors who assert a security interest in the Debtor's bank deposits, inventory, accounts receivable and other cash collateral:

CREDITOR	AMOUNT OWED
Seller's Funding	\$ 9,801
Amazon Capital	\$569,263
US Small Business Administration	\$475,862
JP Morgan Chase	\$101,295
Channel Partners Capital	\$ 96,852
Emerald Group Holdings LLC (VitalCap)	\$116,906

13. As of August 2, 2024, the date the Debtor filed its Voluntary Petition for relief under Subchapter V of Chapter 11 of the Bankruptcy Code, the following are the approximate values

of cash collateral:

ASSET	VALUE
Inventory-Resale at Amazon	\$ 8,000
Inventory-Resale at Debtor warehouse	\$ 100,000
Inventory-CAT Outdoors	\$ 14,000
Accounts Receivable	\$ 638
Total Cash Collateral	\$ 122,638

14. As of the Petition Date, the Debtor had the following deposit accounts, which were not under the control of any secured creditor:

ACCOUNT	VALUE
Chase Bank Account Ending 565	\$ 2,979

15. The Debtor has approximately \$816,481.00 of debt owed to non-priority unsecured creditors.

16. Attached hereto as **Exhibit A** are the projected revenue and expenditures on a weekly basis during the period of July , 2024 to August 31, 2024 and on a monthly basis from September 1, 2024 through December 31, 2024. The expenditures are necessary to continue the Debtor's business operations to prevent immediate and irreparable harm to the bankruptcy estate pending a final hearing and during the course of this case.

17. The Debtor has 2 employees. The Debtor is current on payment of compensation owed to the employees for their post-petition services.

18. The Debtor has maintained its principal bank account at JPMorgan Chase. The Debtor will take steps to close the pre-petition bank account and establish DIP accounts at an

approved financial institution for operations, payroll and tax escrow.

19. The Debtor is taking action to increase its revenues and reduce its operating expenses.

20. I believe the Debtor can formulate a plan of reorganization that can be confirmed by the Bankruptcy Court.

21. I believe that the relief sought in Cash Collateral Motion is necessary to the successful implementation of the Debtor's efforts to maximize the value of its estate.

22. Accordingly, I request that all of the relief requested in the Cash Collateral Motion and such other and further relief as may be just and proper be granted.

23. I declare under penalty of perjury that the foregoing statements in this Declaration of Justin Trump in Support of the Cash Collateral Motion are true and correct.

Date: August 4, 2024

/s/ Justin Trump
Justin Trump
President, Director and Shareholder of
Likemind Brands Inc.

EXHIBIT A

				8/5/2024	8/12/2024	8/19/2024	8/26/2024	September	October	November	December	Year End
Sales Revenues				\$60,000.00		\$54,500.00		\$115,000.00	\$126,000.00	\$165,000.00	\$195,000.00	\$715,500.00
Inventory Purchases						\$20,000.00		\$20,000.00	\$35,000.00	\$45,000.00	\$30,000.00	\$157,500.00
Advertising and Marketing												\$0.00
Amazon closing, fulfillment and other fees						\$27,280.12		\$52,500.00	\$57,500.00	\$75,000.00	\$90,000.00	\$329,560.24
Bank Fees				\$30.00			\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$180.00
Credit Card fees				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Dental and Health Ins.				\$165.16		\$165.16		\$165.16	\$165.16	\$165.16	\$165.16	\$990.96
Education and Training												\$0.00
Electric				\$338.72		\$286.00		\$339.00	\$339.00	\$339.00	\$339.00	\$1,980.72
Internet				\$203.00				\$203.00	\$203.00	\$203.00	\$203.00	\$1,015.00
Payroll taxes					\$4,500.00			\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$22,500.00
Business Insurance				\$1,200.00				\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$6,000.00
Meals and Entertainment				\$456.50				\$456.50	\$456.50	\$456.50	\$456.50	\$2,282.50
Membership Fees				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mercari Fees				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Supplies				\$264.00	\$401.00	\$264.00	\$264.00	\$1,193.00	\$1,193.00	\$1,326.00	\$1,723.00	\$6,628.00
Rent				\$0.00	\$0.00	\$0.00	\$0.00	\$2,802.51	\$2,802.51	\$2,802.51	\$2,802.51	\$11,210.04
Quickbook fees												\$0.00
DTE Energy - Heat				\$582.00			\$582.00	\$600.00	\$600.00	\$700.00	\$900.00	\$3,964.00
Software				\$161.00			\$41.00	\$885.00	\$885.00	\$885.00	\$885.00	\$3,742.00
Subscriptions				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Trade Show				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sales Tax Escrow				\$750.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$3,250.00
Travel				\$0.00	\$0.00	\$0.00	\$0.00					\$0.00
Trash Services				\$94.00		\$94.00		\$94.00	\$94.00	\$94.00	\$94.00	\$564.00
Vehicle Expense												\$0.00
Warehouse Expenses				\$1,799.33	\$649.33	\$150.00		\$1,799.33	\$1,799.33	\$4,549.33	\$799.33	\$11,545.98
Payment Processing Fees												\$0.00
Bankruptcy Payments												\$0.00
Bankruptcy Attorney (Perry Pastula)				\$5,000.00				\$5,000.00			\$10,000.00	\$20,000.00
Bankruptcy Trustee				\$2,500.00				\$2,500.00			\$5,000.00	\$10,000.00
Bookkeeping					\$1,500.00			\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$7,500.00
Tax Accountants				\$60.00	\$60.00			\$60.00	\$60.00	\$60.00	\$60.00	\$360.00
Plan and Adequate Protection Payments					\$2,000.00			\$2,000.00	\$2,000.00	\$2,000.00	\$15,000.00	\$23,000.00
				\$40,883.83	\$17,110.33	\$48,239.28	\$917.00	\$98,327.50	\$110,827.50	\$141,310.50	\$166,157.50	\$623,773.44
Net Monthly Cash Flow for Month			\$0.00	\$19,116.17	-\$17,110.33	\$6,260.72	-\$917.00	\$16,672.50	\$15,172.50	\$23,669.50	\$28,842.50	\$91,726.56
Beginning Cash	\$2,375.00	\$2,375.00	\$2,375.00	\$2,375.00	\$2,375.00	\$4,380.84	\$10,641.56	\$9,724.56	\$26,397.06	\$41,569.56	\$65,259.06	
Net Cash Flow for Period		\$0.00	\$0.00	\$19,116.17	-\$17,110.33	\$6,260.72	-\$917.00	\$16,672.50	\$15,172.50	\$23,669.50	\$28,842.50	
Month End Cash	\$2,375.00	\$2,375.00	\$2,375.00	\$21,491.17	\$4,380.84	\$10,641.56	\$9,724.56	\$26,397.06	\$41,569.56	\$65,259.06	\$94,101.56	